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ACTION NEA-12

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TAGS: MASS, EIND, TU

SUBJECT: AIRCRAFT COPRODUCTION

REF: ANKARA 1743

SUMMARY: IN SERIES OF RECENT MEETINGS PROPONENTS OF FIGHTER AIRCRAFT COPRODUCTION IN TURKEY MOUNTED MASSIVE EFFORT DRUM UP SUPPORT FOR PROJECT IN FACE OF SIGNS THAT GOVERNMENT MAY BE PREPARING TO PUT MATTER ON ICE. HARD CAMPAIGNING BY SUPPORTERS OF PROJECT ANTICIPATED. END SUMMARY.

1. MARCH 25 EDITIONS OF "MILLIYET" AND "GUNAYDIN" REPORT ON MEETING AT TAF HEADQUARTERS HELD PREVIOUS FRIDAY TO DISCUSS CREATION OF DOMESTIC AIRCRAFT INDUSTRY. ARTICLES STATE TAG CHIEF, GENERAL ALPKAYA, AND HEAD OF DEPT. OF PLANNING AND PRINCIPLES, MAJ. GENERAL GOKSARAN, SPENT TWO HOURS BRIEFING AND RESPONDING TO QUESTIONS PUT TO THEM BY PM ECEVIT, DEPUTY LIMITED OFFICIAL USE

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PM ERBAKAN AND MINISTERS OF DEFENSE, FOREIGN AFFAIRS, INTERIOR,

FINANCE, INDUSTRY AND TECHNOLOGY, AND COMMUNICATIONS. MEMBERS OF SUPREME MILITARY COUNCIL AS WELL AS LESSER LIGHTS WERE ALSO REPORTED PRESENT.

2. "GUNAYDIN" ARTICLE CONTINUES WITH REPORT THAT TAF WANTS NEW GOVT TO IMPLEMENT LAW PASSED LAST SUMMER WHICH CREATED TURKISH AVIATION CORPORATION, TUSAS. THUS FAR TUSAS EXISTS ONLY ON PAPER AND AIR FORCE IS REQUESTING GOVT SELECT A BOARD OF DIRECTORS. TAF NOTED THAT PRIVATELY RUN TURKISH AIR FORCE FOUNDATION ALREADY HAS RAISED TL 660 MILLION, SUFFICIENT AMOUNT, TAF CLAIMS, TO INITIATE PROJECT WITHOUT NEED FOR APPROPRIATIONS BEING SET ASIDE IN UPCOMING TURKISH NATIONAL BUDGET.

3. ACCORDING TO "GUNAYDIN", CHOICE TO BE MADE LIES BETWEEN CREATION OF INDUSTRY FOR PRODUCTION OF JET FIGHTERS OR, ALTERNATIVELY,

CREATION OF "LIGHT" AIRCRAFT INDUSTRY (PRESUMABLY LIGHT PLANES FOR CIVIL USE). (SEE REFTTEL.) IF DECISION GOES FOR FIGHTER PRODUCTION, PAPER SAYS, FOLLOWING METHODS--OR COMBINATION OF METHODS--OF FINANCING WILL REPORTEDLY BE CONSIDERED: A) AGREEMENT BETWEEN TURKEY AND LARGE FOREIGN FIRM B) DOMESTIC ASSEMBLY OF FOREIGN MANUFACTURED COMPONENTS WITHIN FRAMEWORK OF INTERNATIONAL CONSORTIUM: C) DOMESTIC MANUFACTURE OF AIRCRAFT IN EXCESS OF TAF NEEDS IN PARTNERSHIP WITH OTHER COUNTRIES (POSSIBLY IN MIDDLE EAST), WHICH WOULD ACQUIRE EXTRA FIGHTERS.

4. ARTICLE STATES THAT OF 21 COMPANIES ORIGINALLY CONTACTED BY AIR FORCE FOUNDATION, FOUR ARE STILL BEING SERIOUSLY CONSIDERED: NORTHROP (F-5), LOCKHEED (F-104) AND TWO BRITISH FIRMS. LOCKHEED'S OFFER ALLEGEDLY INCLUDES PROMISE TO PRODUCE "LANCERS" AT FUTURE DATE AND NORTHROP, TO MANUFACTURE "COBRAS" AS FOLLOW-ON.

5. UNNAMED TURKISH OFFICIAL IS QUOTED AS STATING QUOTE NO CHOICE HAS BEEN MADE AMONG THEM (THE COMPETING COMPANIES). IN FACT, A DECISION HAS NOT YET BEEN TAKEN TO FOUND THE INDUSTRY. BEFORE THIS IS DECIDED UPON IT IS OUT OF THE QUESTION TO CHOOSE A COMPANY. UNQUOTE (SEE REFTTEL.)

6. "GUNAYDIN" CONCLUDES WITH COMMENT THAT THOSE WHO FAVOR LIMITED OFFICIAL USE

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CREATION OF FIGHTER AIRCRAFT INDUSTRY NOTE THAT TURKISH ECONOMY IS AT TAKE-OFF POINT AND AS BUDGET EXPANDS IN FUTURE YEARS, PROJECT WILL GAIN MOMENTUM. MEANWHILE PRESENT FOUNDATION FUNDS ARE ADEQUATE.

7. THESE ARTICLES WERE FOLLOWED TWO DAYS LATER BY ARTICLE IN ENGLISH LANGUAGE PRESS REVIEW "PULSE" (NO SOURCE GIVEN), WHICH CAME FORTH WITH REPORT OF PROCEEDINGS AT FOURTH GENERAL

ASSEMBLY OF AIR FORCE FOUNDATION. ADDRESSING THE AF FOUNDATION, CHIEF OF TAF, GENERAL ALPKAYA, LINKED DECLINE AND FORESEEABLE END TO MILITARY ASSISTANCE WITH NEED FOR CREATION OF TURKISH AIRCRAFT INDUSTRY. HE STATED THAT PRIORITY GIVEN TO INDUSTRY'S ESTABLISHMENT BY GOT "WITHIN THE BALANCED DEVELOPMENT PLAN" WOULD BE REFLECTION OF DEGREE OF IMPORTANCE GOVERNMENT ATTACHES TO IT, AND PUSHED FOR QUICK ESTABLISHMENT OF TUSAS. TAF CHIEF STATED AT LEAST 50 NEW AIRCRAFT WERE REQUIRED EACH YEAR FOR CONTINUATION AND MODERNIZATION OF AIR FORCE. IN DRAWING UP PRODUCTION PLANS, HE SAID, TURKEY MUST KEEP IN MIND THAT THEY MUST CONFORM TO ECONOMIC REALITIES SUCH AS VIABILITY, COMPARATIVE ADVANTAGES OF FOREIGN PURCHASES VS DOMESTIC MANUFACTURING COSTS, INTEGRATION OF PLANS WITHIN NATIONAL ECONOMIC STRUCTURE, AND SEARCH FOR EXTERNAL MARKETS. AIR FORCE FOUNDATION WOULD CONTINUE ITS ACTIVITIES UNTIL TUSAS WAS ESTABLISHED, HE CONCLUDED.

9. FORMER AIR FORCE COMMANDER MUHSIN BATUR, WHO WAS INSTRUMENTAL IN DEVELOPING BOTH CONCEPT OF IN-COUNTRY AIRCRAFT PRODUCTION AND AIR FORCE FOUNDATION ITSELF, COMMENTED UPON CONTINUING INDECISION AND HESITATION SURROUNDING INDUSTRY'S CREATION. HE THEN EXPRESSED BELIEF THAT GOT WOULD DECIDE IN FAVOR OF ITS FOUNDATION; TAF WOULD CHOOSE TYPE OF AIRCRAFT TO BE PRODUCED; TUSAS WOULD ADMINISTER "ACTIVITIES", AND AIR FORCE FOUNDATION WOULD RAISE THE NECESSARY CAPITAL. HE ADDED THAT IT WOULD BE GREAT MISTAKE TO SAY THAT THERE WOULD BE NO APPROPRIATIONS ALLOCATED IN 1974 BUDGET FOR THIS PURPOSE AND THAT FOUNDATION SHOULD MEET ALL EXPENSES. SUCH DECISION WOULD DISMAY AND DISCOURAGE FUTURE FOUNDATION DONORS, HE SAID.

10. SENATE SPEAKER, TEKIN ARIBURUN, "PULSE" REPORTS, CALLED FOR START IN AIRCRAFT MANUFACTURING AS SOON AS POSSIBLE AND SAID PRODUCTION SHOULD BE EXTENDED TO MANUFACTURE OF NOT LIMITED OFFICIAL USE

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ONLY FIGHTERS BUT "SEVERAL OTHER KINDS, FROM SMALLEST SPORT TYPES TO HELICOPTERS AND MISSILES." "MONEY CAN ALWAYS BE FOUND," HE SAID, ADDING THAT CONTRIBUTIONS ARE CONTINUING AND THAT BOTH GOVERNMENT AND PARLIAMENT ARE IN SUPPORT OF FOUNDATION'S GOALS.

11. TELEGRAMS WISHING SUCCESS TO THE FOUNDATION ASSEMBLY WERE REPORTEDLY RECEIVED FROM PRESIDENT, PM, AND CHIEF OF TGS. REPORTED PRESENT AT ASSEMBLY WERE FIVE GOVERNMENT MINISTERS, INCLUDING MINDEF, SUPREME MILITARY COUNCIL MEMBERS, SECY GENL OF NATIONAL SECURITY COUNCIL.

12. COMMENT: IT APPEARS THAT THERE IS TUG OF WAR GOING ON BETWEEN THOSE WHO ARE LOBBYING FOR QUICK CREATION OF AVIATION INDUSTRY AND THOSE WHO OPPOSE IT OR WISH TO GIVE FURTHER CONSID-

ERATION TO ITS ECONOMIC FEASIBILITY AND WISDOM. THERE IS REAL
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